

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings of claims in the application:

**Listing of Claims:**

1. (Original) A method of preparing a cell culture of propagating pancreatic cells having the ability to be passed from one culture vessel to a second vessel at an initial concentration of about 180 cells per square centimeter and expanded to about 1,800 cells per square centimeter, while retaining the following properties: 90% PDX-1 positive and having an insulin:actin mRNA ratio of between 1:100 and 1000:1, said method comprising the steps of:

(a) isolating propagating pancreatic cells;

(b) transferring the cells to a culture medium containing growth hormone and having 1% or less total volume of serum to selectively propagate cells having an insulin:actin mRNA ratio of between 1:100 and 1000:1 and that are PDX-1 positive; and

(c) passaging the cells to provide a cell culture of propagating pancreatic cells having the ability to be passed from one culture vessel to a second vessel at an initial concentration of about 180 cells per square centimeter and expanded to about 1,800 cells per square centimeter while retaining the following properties: 90% PDX-1 positive and having an insulin:actin mRNA ratio of between 1:100 and 1000:1.

2. (Original) The method of claim 1, wherein the cells are maintained in a first medium containing serum at between 1% and 4% of the total volume of the first medium before transfer to a second medium containing growth hormone and 1% or less total volume of serum.

3. (Original) The method of claim 1, wherein the cells are maintained in a first medium containing serum at above 4% of the total volume of the first medium before transfer to a second medium containing growth hormone and 1% or less total volume of serum.

4. (Original) The method of claim 3, wherein the cells are transferred from a first medium containing serum at above 4% of the total volume of the serum to a second medium

containing growth hormone and less than 1% of total volume of serum by successive transfers to media having successively lower amounts of serum.

5. (Original) The method of claim 1, wherein the isolated propagating pancreatic cells have a mixture of PDX-1 positive and PDX-1 negative phenotypes.

6. (Original) The method of claim 1, wherein the cell culture has an insulin:actin mRNA ratio of between 1:10 and 100:1.

Claims 7-10 are cancelled.

11. (Original) A method of claim 1 where the cells are passaged in media containing recombinant human growth hormone.

12. (Original) A method of claim 1 where the cells are passaged in media containing epithelial growth factor.

13. (Original) A culture of propagating pancreatic cells produced by the method of claim 1.

14. (Original) A culture of propagating pancreatic cells having the ability to be passed from one culture vessel to a second vessel at an initial concentration of about 180 cells per square centimeter and expanded to about 1,800 cells per square centimeter while retaining the following properties: 90% PDX-1 positive and having an insulin:actin mRNA ratio of between 1:100 and 1000:1.

Claims 15-19 are cancelled.